



Maine Connections

January 2010

Greetings!

Happy New Year from DECD!

To help us ring in the New Year, I'm pleased to share with you some exciting news: Maine has won a \$25.4 million U.S. Department of Commerce grant for the construction of a fiber-optic network that will improve access to the Internet in much of rural Maine. The 1,100 mile-long broadband network will pass through more than 100 communities with more than 110,000 homes in northern, western and Downeast Maine.



DECD participated on the Broadband Strategy Council, which recommended this pursuing this grant and others to the Governor, Connect ME Authority and the Federal Government.

High-speed Internet has a direct and tangible impact on business development as it is key to competing in today's innovation economy.

Brian Hodges, our Director of Tax Incentive Programs, has been promoted to acting Deputy Commissioner. I look forward to working with him in the New Year. Congratulations Brian!

There is a challenging budget crisis to fix in the months ahead, but with some Yankee innovation, we aim to find a solution that meets Maine's needs.

We hope 2010 brings you prosperity and exciting new business opportunities. We look forward to collaborating with you in the months ahead.

Wishing you a safe and happy New Year,

Thaxter R. Trafton

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Maine's Red Claws



Jon Jennings knew bringing an NBA-D league (development league) team to Maine was a pretty good bet given the popularity of high-school basketball throughout the state. But the bet has turned out better than expected in the team's first season.

The Maine Red Claws have sold out their initial home games at the Portland Expo Center (capacity 3000) and are on target to have a full house for upcoming games as well, with nearly 50 percent of that sold as season tickets. Jennings, the team's general manager, credits not only the talent on the court for delivering an excellent product, but the partnerships that have blossomed to bring a fully-branded Maine product to the league.

Pat Eltman, the Director of the Maine Office of Tourism, worked with the team by suggesting Maine suppliers for the concessions to connect the team with the Maine brand. Isamax "Hoopie Pies" and Gritty's Red Claw Ale - are selling out during home games. Maine lobster rolls have been sold as a premium item for box seats, but there are plans to expand their sale alongside red hot dogs - another Maine tradition. Jennings notes that it's unusual for a first-year team to have so many branded products available, but it is a testimony to the organization's dedication to partner with Maine businesses and drive economic and community development efforts for the state. The team is second in the league for corporate sponsors, one being Oakhurst Dairy. They are the official milk of the Red Claws and the primary sponsor for the team's Kids Club. The team has donated \$40,000 to local nonprofits - much of which has come in conjunction with corporate sponsors and goes to groups including the Boys and Girls Clubs.

Crusher, the team's mascot, adorns many of the hats and t-shirts available at games, sales of which have put the team in first place for merchandise sales in the league. The team has gone 10-4 as of 1/4 and Jennings is hoping for more victories on the court and for the whole enterprise. As he notes, "It's a national league and the team plays all across the country and has a responsibility to represent all of Maine."

MITC Brings Maine to the Middle East

The Maine International Trade Center is headed to the largest food show in the Middle East. Gulfood 2010 is a showcase for manufacturers, distributors, and suppliers from around the world, representing all of the key sectors within the food and hospitality trade. In addition to a strong hotel, restaurant, and tourist sector, Dubai is the world's third largest re-exporter with over 70% of imports being re-exported to more than 160 countries.



Gulfood 2009 was attended by over 45,000 buyers from 152 countries. The food show features over **70** national pavilions, with the U.S. Pavilion being one of the largest and most visited. Show dates are February 21-24, 2010.

For the second year in a row, MITC is organizing a booth of *Maine's Best*. Gladstone's Under the Sun in Bar Harbor and Labree's Bakery in Old Town will be in attendance as well as the Maine Wild Blueberry Association.



Photo (top): Maine companies attending Gulfood and the UAE Mission 2009 reported \$3.2 million in sales.

Photo (bottom): Dubai, UAE.

Pine Tree Zones Creating New Jobs

2009 was a big year for Maine's Pine Tree Development Zone program. In June, the legislature voted to expand the program statewide. Now that the expansion has become effective, it has proven to be a great success, with hundreds of new jobs planning to be created.

"There were 65 Pine Tree Development Zone applications submitted this year and, of those, 27 were for areas in southern Maine that previously would not have been eligible," said acting DECD Commissioner Thaxter Trafton. "Of these 27, 13 businesses are start-ups, so not only is the expansion working to create an anticipated 473 new jobs but it's also supporting new business growth in Maine."

The PTDZ program is a *performance-based* tax incentive initiative that was introduced by Governor Baldacci in 2004 to stimulate growth in targeted business sectors, areas of relatively high unemployment, and areas of relatively low wages.

Typically, 30 percent of PTDZ applicants are start-ups, according to Brian Hodges, acting Deputy Commissioner. "Because of this legislation, about 50 percent of the eligible businesses from certain areas of southern Maine - companies who wouldn't have been eligible before - are start-ups or new companies, which is great; what this tells us is that we're attracting new business to Maine," said Hodges.

Historically, the majority of PTDZ companies fell into the manufacturing sector. The newly eligible applications are unique as nearly half are in the Information Technology sector, with another 30 percent falling under the growth industries of Biotechnology and Financial Services.

Over all, 2009 has been a banner year for the Pine Tree Development Zone program. There will be an anticipated 1,382 new, quality jobs created beginning in 2010.

Resolve to Innovate in the New Year!

As we turn the corner to a new year and a new decade, we can't help but look for signs of brighter economic news both here in Maine and across the country. However, some Maine companies have quietly bucked the trend of this past recession and continued to grow their revenues and their employment during the past year by innovating their products and services. Programs like those at the Maine Technology Institute (MTI) have been here to help Maine entrepreneurs develop new technologies and bring them to market.

Firms that invest in technology and innovation often come out ahead and by creating new jobs, developing new products and pursuing new markets, they help lead us all to a more prosperous economy. MTI is fortunate to have a front-row seat to identify the technologies driving Maine's economy and to help accelerate their progress. From seed grants that foster early-stage development to development awards that support continued innovation and growth, to funding to help Maine's technology sectors grow and innovate, MTI helps Maine businesses grow. In FY'09, MTI funded 142 new technology development projects totaling just over \$56.6 million, which leveraged an additional \$93 million in matching investment. This was a significant increase for the year due to the awards made by MTI for its bond-funded research and economic development program, the Maine Technology Asset Fund.

There are upcoming deadlines in February and March for the next round of three Maine Technology Institute (MTI) programs that fund innovative, technology development projects that bring new products and services to the market. Seed Grants, Development Awards and Cluster Initiative Program award funding are available and MTI encourages Maine entrepreneurs and businesses to apply. Please help spread the word!

The application deadlines are as follows:

- For the next round of Seed Grants applications - February 11, 2010
- For the next round of Development Award financing requests - February 9, 2010
- For the next round of Cluster Initiative Program applications - March 18, 2010.
- More information on all three programs is available at www.mainetechnology.org.

JOIN MITC ON A TRADE MISSION TO TURKEY!

The Maine International Trade Center is coordinating a Trade Mission to Turkey in cooperation with the Eastern Trade Council's ten Northeastern States on March 15-19, 2010. The emphasis for this mission is on customized matchmaking meetings. Delegates will also meet with key contacts from Turkish businesses, U.S. executives already successfully operating in Turkey, government officials, trade specialists, and others. This mission will provide delegates with important networking opportunities and market intelligence to help them successfully expand into this dynamic market.

Why Turkey?

- Turkey is a regional commercial hub, strategically located at the crossroads of Europe, Asia, Africa, and the Middle East.
- The political environment: Turkey is a parliamentary democracy with a civil law system influenced by Europe's legal systems. It is well-connected to the international community through membership in the Council of Europe, G-20 major economies, OECD, NATO, and the UN.
- Turkey's growth averaged over 6% for several years and it has a young and dynamic population.
- A relatively young population: Turkey has a relatively young population. The median age

of the country's more than 70 million people is under 28 years.

- U.S. exported over \$10 billion to Turkey in 2008 which was an increase over 2007. Turkey values U.S. quality and branded products.

Best Prospects: Education Services, Medical Equipment and Services, IT, Telecommunications Equipment and Services, Defense Equipment and Services, Water and Wastewater Technologies, Automotive Parts and Equipment, Electric Power Systems, Natural Gas Transmission Products and Services.

For more information please contact Zeynep Turk at turk@mitc.com or 207-541-7474 and refer to www.mitc.com.

Registration and payment are required by January 15, 2010. Availability is on a first-come, first-served basis, based on completed registration and payment. Space is limited so register soon!



MITC Energy Seminar February 25

Maine International Trade Center is hosting an energy seminar in Bangor on February 25, 2010. **Hydro Quebec and the Eastern Canadian Energy Dynamic** will feature executives from Hydro Quebec Energy Services US and John Kerry, Director of Maine's Office of Energy Independence and Security. This program will cover Hydro Quebec's increased transmission strategies including its recent memorandum of understanding with New Brunswick, its goal of bringing 4000 MW of wind power onto the grid over the next four years, as well as its vision for renewable energy. Director John Kerry will provide an overview of the state of Maine's transmission services and scheduled Downeast upgrade, as well as Maine's progress in the renewable energy field. This seminar is underwritten by Eaton Peabody and its location is TBA.

The Office of Community Development - Changing Communities One at a Time

Each year the Office of Community Development awards grants from Federal funds to Maine communities that benefit area growth and support our quality of life. This year OCD received 20 Letters of Intent for the 2010 Community Development Block Grants (CDBG) Public Facilities grants and 18 Letters of Intent for the 2010 CDBG Public Infrastructure grants; both are record numbers. Communities that met CDBG threshold requirements have been invited to the application phase. These applications are due January 22, 2010. Each application will be rated in relation to all others in their respective program.

Competition for awards is expected to be extremely high this year, with the limited funds allocated to each program for the 2010 program year. Scoring criteria involves three categories 1) Impact - 30 points, 2) Development Strategy - 30 points, 3) Citizen Participation. Each application will receive a final application score consisting of the average of the scores assigned by the 4-person OCD Review Team which will be added to the pre-determined Community Evaluation Factor. Starting at the top of the scoring list, applicants will be invited to proceed to the Project Development Phase as funds allow.

CDBG Dates to Remember:

January 22, 2010 - Letters of Intent due by 4:00 pm at the Office of Community Development for the 2010 CDBG Downtown Revitalization and 2010 CDBG Community Enterprise Programs.

January 22, 2010 - Application deadline at 4:00 pm at the Office of Community Development for the 2010 CDBG Public Facilities and the 2010 CDBG Public Infrastructure Programs.

February 12, 2010 - Letters of Intent due by 4:00 pm at the Office of Community Development for the 2010 CDBG Round 1 Economic Development Program.

February 19, 2010 - Letters of Intent due by 4:00 pm at the Office of Community Development for the 2010 CDBG Housing Assistance Program.

March 5, 2010 - Application deadline at 4:00 pm at the Office of Community Development for the 2010 CDBG Downtown Revitalization and 2010 CDBG Community Enterprise Programs.

March 19, 2010 - Letters of Intent due by 4:00 pm at the Office of Community Development for the 2010 CDBG Public Service Program.

March 19, 2010 - Application deadline at 4:00 pm at the Office of Community Development for the 2010 CDBG Non-Profit Development Program.

Upcoming Events:

Bangalore to Bangor- Attracting Indian Students to Maine's Schools

Portland Harbor Hotel, Portland

Thursday, January 14, 2010

Time: 2:00 pm - 4:00 pm

International students studying in the U.S. are an economic driver for most universities and academies nation-side. Maine's colleges hosted over 1,256 foreign students last year that resulted in over \$31 million spent in local Maine communities. With over 100,000 Indian students coming to the U.S. to study per year, India has become the largest market for foreign student attraction. Join the Maine International Trade Center and Ron Somers, president of the US-India Business Council as we discuss strategies for Maine's schools in attracting this important, and underrepresented, student population.

Registration Fee:

MITC Members: \$40.00

Non-members: \$55.00

Click here to [Register!](#)

Registration deadline is Monday, January 11, 2010.

No refunds or cancellations made after this deadline.

MTI is conducting application workshops for the **Cluster Initiative Program** on **January 13 in Orono and January 14 in Westbrook**. To register and learn more about the workshops, contact Patti Sutter: 207-582-4790 ext. 211 or by email, psutter@mainetechnology.org.

Sign Up Now for the Governor's Conference on Tourism!

Tuesday, February 2 -The Maine Governor's Conference on Tourism provides professional development sessions, valuable networking, and the opportunity to meet with tourism professionals.

For more info or to register for the award's dinner and/or conference in Augusta, click [here](#).